



Whistleblower Program & Customer Education Initiatives

2024 Annual
Report

October 2024

I. INTRODUCTION

Section 748 of the Dodd-Frank Wall Street Reform and Consumer Protection Act¹ amended the Commodity Exchange Act (“CEA”) by adding Section 23, entitled “Commodity Whistleblower Incentives and Protection.”² CEA Section 23 established a whistleblower program under which the Commodity Futures Trading Commission (the “Commission” or “CFTC”) will pay awards, based on collected monetary sanctions and under regulations prescribed by the Commission, to eligible whistleblowers who voluntarily provide the Commission with original information³ about violations of the CEA that leads either to a “covered judicial or administrative action” or a “related action.”⁴ CEA Section 23 also established the CFTC Customer Protection Fund (“CPF” or “Fund”) to pay whistleblower awards and to fund “customer education initiatives designed to help customers protect themselves against fraud or other violations of [the CEA], or the rules and regulations

¹ Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law (Pub. L.) No. 111-203, § 748, 124 Stat. 1739.

² 7 U.S.C. § 26.

³ Section 23(b)(1) of the Act, 7 U.S.C. § 26(b)(1), requires the whistleblower’s information to be original information. Original information, in turn, is information that:

- (A) is derived from the independent knowledge or analysis of a whistleblower;
- (B) is not known to the Commission from any other source, unless the whistleblower is the original source of the information; and
- (C) is not exclusively derived from an allegation made in a judicial or administrative hearing, in a governmental report, hearing, audit, or investigation, or from the news media, unless the whistleblower is a source of the information.

7 U.S.C. § 26(a)(4); 17 C.F.R. § 165.2(k). Independent analysis is “the whistleblower’s own analysis, whether done alone or in combination with others,” and independent knowledge is “factual information in the whistleblower’s possession that is not generally known or available to the public.” 17 C.F.R. § 165.2(g), (h). The whistleblower may gain independent knowledge from his or her experiences, communications, and observations in business or social interactions. *Id.* § 165.2(g).

⁴ A “covered judicial or administrative action” is “any judicial or administrative action brought by the Commission under [the CEA] that results in monetary sanctions exceeding \$1,000,000.” 7 U.S.C. § 26(a)(1). The term “related action,” when used with respect to any judicial or administrative action brought by the Commission under the CEA, means “any judicial or administrative action brought by an entity described in [7 U.S.C. § 26(h)(2)(C)(i)(I)-(VI)] that is based upon the original information provided by a whistleblower pursuant to [7 U.S.C. § 26(a)] that led to the successful enforcement of the Commission action.” *Id.* § 26(a)(5).

thereunder.”⁵ To carry out these objectives, the CFTC established the Whistleblower Office (“WBO”) and Office of Customer Education and Outreach (“OCEO”).

CEA Section 23(g)(5) requires the Commission to transmit an annual report to the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives, on the following:

- Commission’s Whistleblower Program, including a description of the number of awards granted and the types of cases in which awards were granted during the preceding fiscal year;
- customer education initiatives that were funded by the Fund during the preceding fiscal year;
- balance of the Fund at the beginning of the preceding fiscal year;
- amounts deposited into or credited to the Fund during the preceding fiscal year;
- amount of earnings on investments of amounts in the Fund during the preceding fiscal year;
- amount paid from the Fund during the preceding fiscal year to whistleblowers;
- amount paid from the Fund during the preceding fiscal year for customer education initiatives;
- balance of the Fund at the end of the preceding fiscal year; and
- complete set of audited financial statements, including a balance sheet, income statement,⁶ and cash flow analysis.







This report covers the period from October 1, 2023, through September 30, 2024 (“Period” or “FY 2024”).

⁵ 7 U.S.C. § 26(g)(2).

⁶ Federal Accounting Standards do not identify an “income statement” as a financial statement applicable to the Federal Government. Instead, the Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Concepts 2 (http://files.fasab.gov/pdffiles/handbook_sffac_2.pdf) identifies the “statement of net cost” as the equivalent financial statement. A “statement of net cost” is included in the attached audited financial statements.

II. WHISTLEBLOWER PROGRAM AND AWARDS

With the WBO’s assistance, the Commission issued the most awards on record for any fiscal year in this Period. In another annual record, the WBO received over 1,700 whistleblower tips and over 300 award applications and had the most case dispositions for the Period. The numbers in this report show that the CFTC’s Whistleblower Program is working as Congress intended. The program helps the Commission identify wrongdoers, encourages disclosure of violations of the CEA to the CFTC, and rewards whistleblowers for the risks they take in coming forward. Many different types of whistleblowers received awards this year, including victims, witnesses, insiders, market participants, employees, and compliance professionals.

CFTC’s Whistleblower Program: FY 2024 Snapshot			
	Issued 12 orders granting awards in FY 2024. Enforcement actions associated with these awards have resulted in monetary sanctions of about <u>\$162 million</u> collected.		Since making its first award in 2014, the CFTC has issued 53 orders granting awards totaling <u>nearly \$390 million</u> in award payments.
	Granted 15 applications in FY 2024, totaling <u>over \$42 million</u> in award payments.		To date, enforcement actions associated with all program awards have resulted in monetary sanctions totaling <u>over \$3.2 billion</u> .
	Received a record <u>317 award applications</u> in FY 2024.		Received a record <u>1,744 whistleblower tips</u> in FY 2024.

The CFTC issued 12 award orders addressing 35 applications this Period. Among the orders, the CFTC granted 15 applications totaling over \$42 million in award payments. Enforcement actions associated with these awards resulted in monetary sanctions of about \$162 million collected. The CFTC also denied 274 applications that failed to meet award requirements under 7 U.S.C. § 26 and 17 C.F.R. § 165 in this Period. Since making its first award in 2014, the CFTC has issued 53 orders granting awards totaling nearly \$390 million in award payments. As indicated on the WBO’s website, enforcement actions associated with all program awards have resulted in monetary sanctions totaling over \$3.2 billion. Below are several notable awards issued in FY 2024. Each award described below has a corresponding press release issued at the time of the award announcement, the link to which is provided in the corresponding footnote.

A. Notable Whistleblower Awards Issued in FY 2024

1. *CFTC awarded over \$18 million to a whistleblower who provided independent analysis of public information*

The CFTC awarded over \$18 million to a whistleblower who provided original information that led the CFTC and another authority to bring enforcement actions. The whistleblower’s submission included both information the whistleblower obtained from nonpublic sources and independent analysis of publicly available information. Not only was the whistleblower’s information highly significant to the CFTC’s investigation, but it also led the other authority to open an investigation and bring a related action. Accordingly, the whistleblower qualified for awards for both the CFTC action and the related action.⁷

⁷ See CFTC Whistleblower Award Determination 24-WB-01 (Oct. 12, 2023); CFTC Press Rel. No. 8806-23, “CFTC Awards Whistleblower Over \$18 Million.” <https://www.cftc.gov/PressRoom/PressReleases/8806-23>.

2. CFTC awarded over \$8 million to a culpable company insider

The CFTC awarded over \$8 million to a company insider whose information led multiple regulators to open multiple investigations, cooperate with each other, and bring multiple enforcement actions. As stated in the press release issued regarding this award, although the whistleblower had some involvement in the misconduct, the whistleblower provided valuable insider information during the investigations. The whistleblower provided not only direct evidence of the whistleblower's own intent in the relevant transactions, but also knowledge and observations about clients, co-workers, and senior leadership at the liable entities. This ultimately saved substantial time and resources for staff and resulted in a far stronger and more triable case in the event of litigation. As demonstrated in this case, a whistleblower's culpability reduces the award amount. Absent a criminal conviction of the whistleblower, culpability alone does not disqualify a whistleblower from receiving an award.⁸

3. CFTC awarded a compliance officer for the first time in Whistleblower Program history

The CFTC awarded approximately \$1.25 million to a whistleblower who reported misconduct to the CFTC after initially reporting it internally to the whistleblower's employer. This award was significant because it marked the first time the CFTC awarded a compliance officer. Generally, compliance officers cannot qualify for awards because information they obtain while carrying out their compliance duties would not be deemed "original information" under the CFTC's Whistleblower Rules. Providing "original information" is one of the prerequisites for obtaining an award.⁹ However, an exception applies when at least 120 days

⁸ See CFTC Whistleblower Award Determination 24-WB-06 (June 17, 2024); CFTC Press Rel. No. 8922-24, "CFTC Awards Over \$8 Million to Insider Whistleblower Who Aided CFTC and Other Agency Actions." <https://www.cftc.gov/PressRoom/PressReleases/8922-24>.

⁹ See 7 U.S.C. § 26(a)(4)(A); 17 C.F.R. § 165.2(g)(7)(iii).

have passed after the whistleblower reported the misconduct internally, and the company failed to act or take corrective action.¹⁰ Here, the whistleblower initially reported the misconduct internally, and when the entity failed to act within the 120-day period, the whistleblower reported to the CFTC. Thus, the exception applied to the whistleblower, making the whistleblower eligible for an award.¹¹

4. *CFTC awarded over \$1 million to a whistleblower for providing significant information about digital assets*

The CFTC awarded over \$1 million to a whistleblower who provided significant information about improper trading in the digital asset markets. Identifying unlawful conduct in these markets has become a top priority for the CFTC. As the CFTC’s Director of Enforcement stated in the press release issued regarding this award, digital asset cases accounted for nearly 50% of the CFTC’s enforcement docket, and the majority of whistleblower tips the CFTC received involved digital assets.¹²

5. *CFTC awarded over \$4 million to a company insider despite reporting delay*

The CFTC awarded over \$4 million to a whistleblower who provided information about violations that would have been difficult to detect without an insider’s knowledge. The whistleblower reported an entity’s failure to comply with certain CFTC rules. Although the Commission found that the whistleblower unreasonably delayed the reporting to the Commission, a delay in reporting is just one of the negative factors that may decrease the award

¹⁰ See 17 C.F.R. § 165.2(g)(7)(iii).

¹¹ See CFTC Whistleblower Award Determination 24-WB-04 (Mar. 14, 2024); CFTC Press Rel. No. 8878-24, “CFTC Awards Insider Whistleblower Approximately \$1.25 Million.” <https://www.cftc.gov/PressRoom/PressReleases/8878-24>.

¹² See CFTC Whistleblower Award Determination 24-WB-07 (Aug. 8, 2024); CFTC Press Rel. No. 8939-24, “CFTC Awards Over \$1 Million to Whistleblower Who Aided a Digital Assets-Related Investigation.” <https://www.cftc.gov/PressRoom/PressReleases/8939-24>.

amount under the Whistleblower Rules.¹³ In assessing whether a whistleblower unreasonably delayed reporting CEA violations to the Commission, the Commission may take into account whether the whistleblower was aware of the relevant facts but failed to take reasonable steps to report or prevent the violations from occurring or continuing; whether the whistleblower was aware of the relevant facts but only reported the violations after learning about a related inquiry, investigation, or enforcement action; and whether there was a legitimate reason for the whistleblower to delay reporting violations. 17 C.F.R. § 165.9(c)(2).

6. *CFTC awarded over \$4.5 million to a market participant who was not a company insider*

In this case, the CFTC awarded over \$4.5 million to a whistleblower who, while not a company insider, had reported observations specific enough that staff was able to confirm with relative ease which company had engaged in misconduct. Further, this whistleblower served as a valuable resource for staff throughout the investigation. The whistleblower's cooperation was particularly noteworthy because, while the liable company's misconduct was known and suspected, the whistleblower was the only one who voluntarily came forward. As a result, the whistleblower received an award in the high end of the award range.¹⁴

7. *CFTC announced four orders granting awards to seven whistleblowers in one day*

On September 23, 2024, the CFTC announced four orders granting awards to seven whistleblowers. As stated in the press release issued regarding these awards, the four orders

¹³ See CFTC Whistleblower Award Determination 24-WB-08 (Aug. 29, 2024); CFTC Press Rel. No. 8958-24, "CFTC Awards Over \$4 Million to Insider Whistleblower." <https://www.cftc.gov/PressRoom/PressReleases/8958-24>.

¹⁴ See CFTC Whistleblower Award Determination 24-WB-05 (June 3, 2024); CFTC Press Rel. No. 8917-24, "CFTC Announces Whistleblower Award Over \$4.5 Million." <https://www.cftc.gov/PressRoom/PressReleases/8917-24>.

granting awards were the most the CFTC issued in a single day. The orders recognized the award recipients for their contributions:

- Four whistleblowers who, as victims of fraud, significantly contributed to the resolution of both a CFTC action and a related criminal action, providing insight into the broad scope of the misconduct and enabling the identification of additional victims.
- A separate whistleblower victim whose tip alerted the CFTC to a new fraud by a repeat offender, and whose ongoing assistance helped uncover additional evidence of misconduct that led to additional charges.
- A market participant whistleblower whose information led the CFTC to investigate a different conduct as part of an existing investigation.
- A whistleblower who, as an employee with compliance/internal audit responsibilities, reported violations internally, then waited at least 120 days to contact the CFTC after the company failed to take meaningful remedial action.¹⁵

B. Whistleblower Tips (Form TCR)

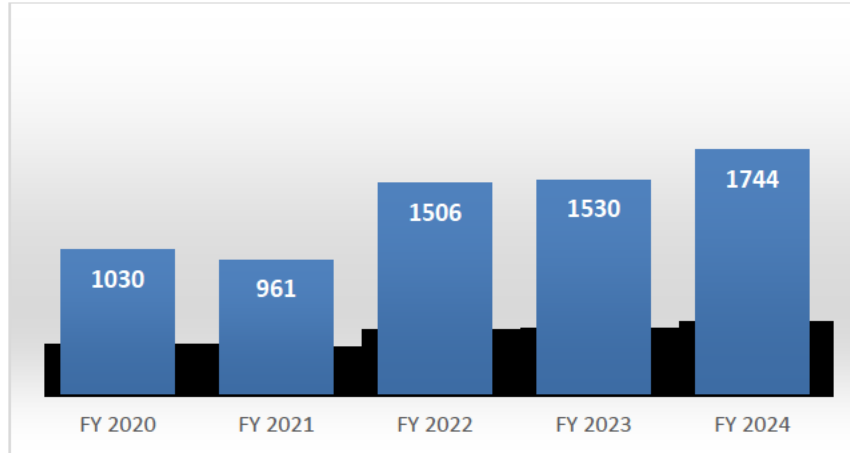
During the Period, the WBO received 1,744 whistleblower tips filed on the CFTC’s Form TCR.¹⁶ This represents an increase of 14% above the Fiscal Year 2023 (“FY 2023”) level.¹⁷ The WBO also received and processed an additional 340 submissions from whistleblowers supplementing their initial filings. About 42% of the CFTC’s enforcement matters involve whistleblowers. Figure 1 below shows the number of tips the CFTC received in the last five fiscal years.

¹⁵ See CFTC Press Rel. No. 8974-24, “CFTC Announces Four Orders Granting Whistleblower Awards – Marking the Most in a Single Day.” <https://www.cftc.gov/PressRoom/PressReleases/8974-24>.

¹⁶ See File a Tip or Complaint: <https://www.whistleblower.gov/overview/submitatip>.

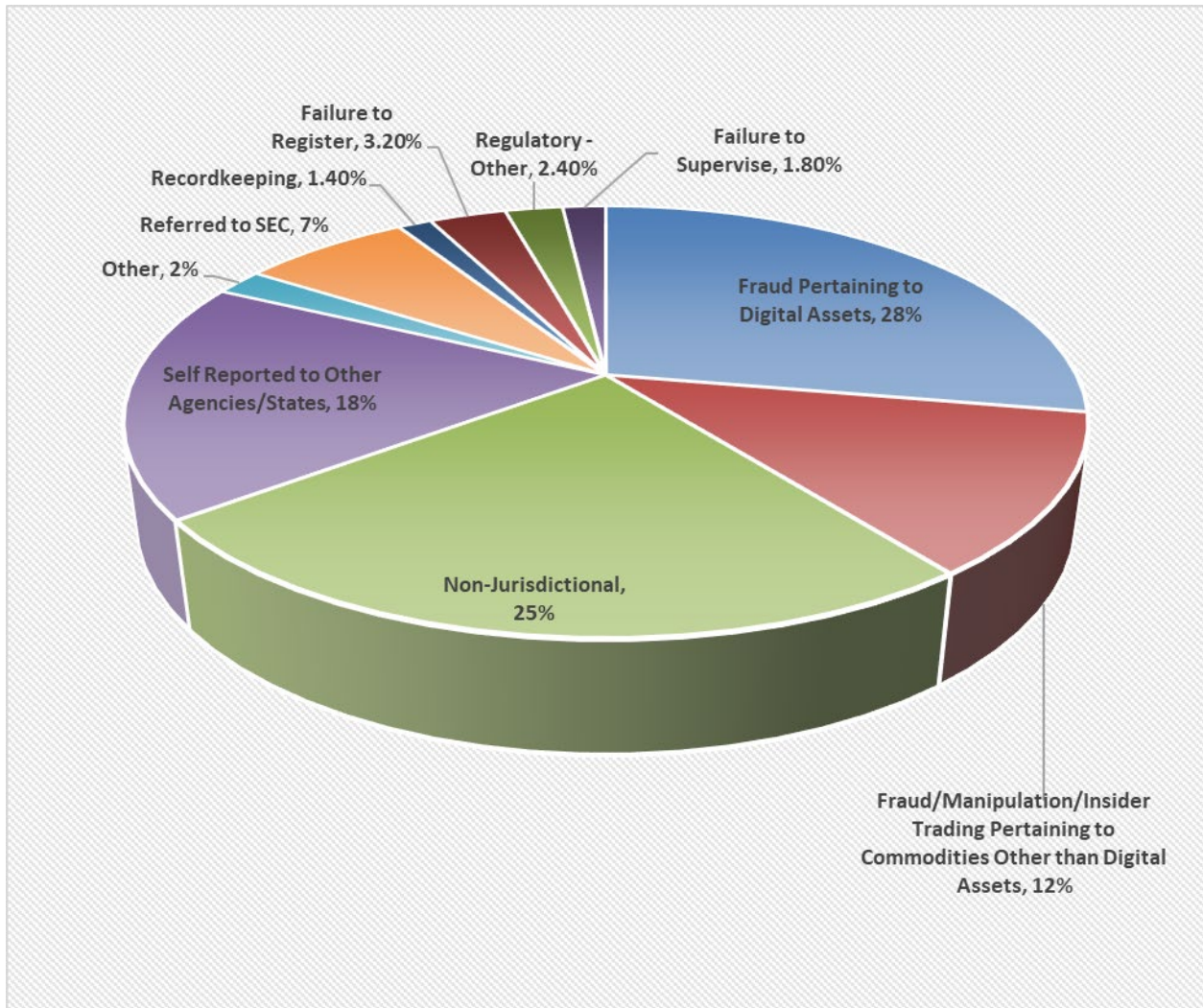
¹⁷ FY 2023 is the period from October 1, 2022, through September 30, 2023.

Figure 1: Whistleblower tips received in the last five fiscal years



A large portion of whistleblower tips the CFTC received this Period alleged fraudulent crypto and digital assets solicitation and misappropriation, with many scams stemming from online communications (*e.g.*, pump and dump, fraudulent representations of opportunities, and refusal to honor customer requests to withdraw funds). A smaller percent of whistleblower tips related to registration violations, insider trading, retail sale of metals, spoofing and other types of disruptive trading or market manipulation.

The following graph reflects the nature of whistleblower tips received beginning April 1, 2024, to the end of FY 2024.



The WBO received whistleblower tips from 64 different reported countries this Period.

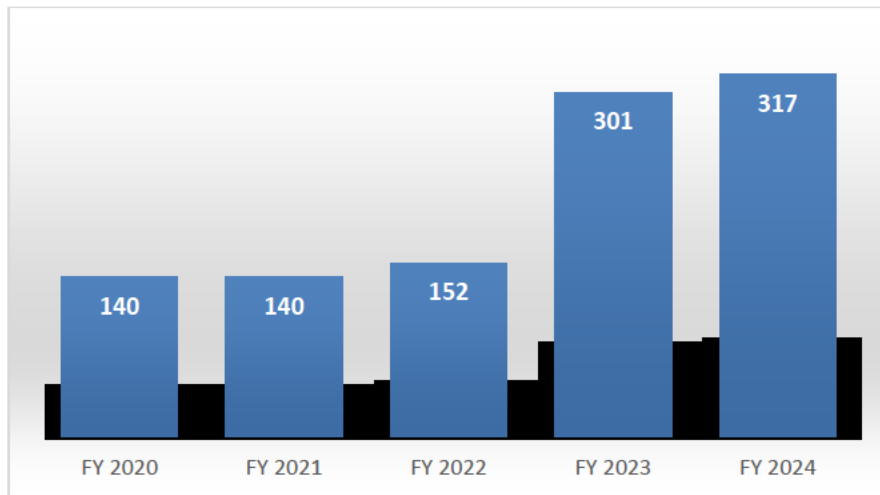
The countries with the most tip submissions are the following:

1	United States	81%
2	United Kingdom	1.1%
3	Chile	0.86%
4	India	0.75%
5	Spain	0.40%
6	South Africa	0.40%

C. Whistleblower Award Applications (Form WB-APP)

For every judgment or CFTC order entered after July 21, 2010, that imposes more than \$1 million in monetary sanctions, the WBO will post a notice called the Notice of Covered Action (“NCA”) on the WBO’s website to announce the application filing deadline for that action.¹⁸ During the Period, the WBO posted 39 NCAs and received 317 award applications. Figure 2 below shows the number of applications the CFTC received in the last five fiscal years.

Figure 2: Award applications received in the last five fiscal years



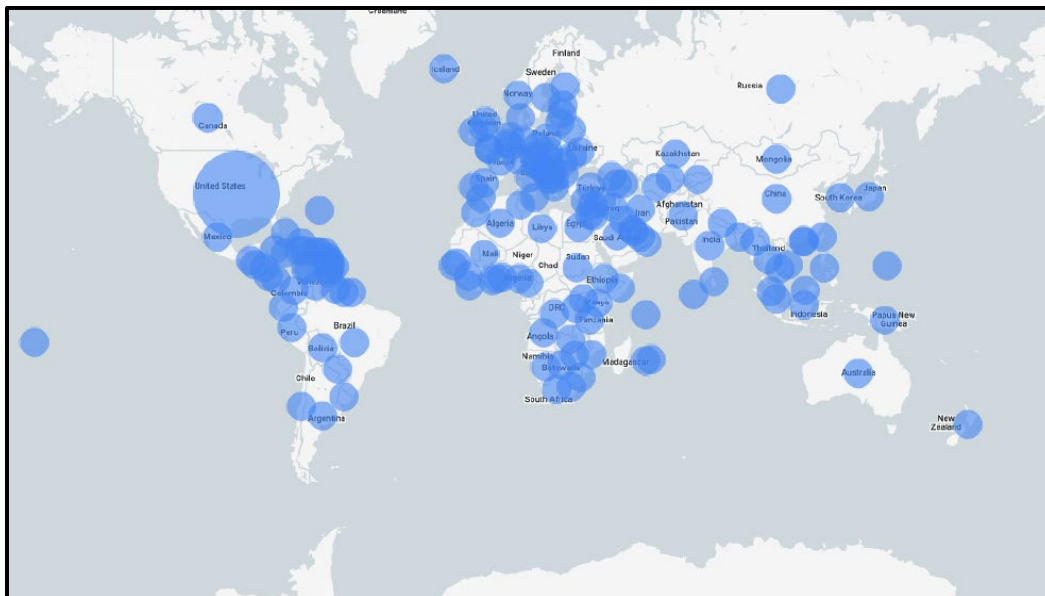
D. Whistleblower Education and Outreach

During the Period, WBO staff continued to educate stakeholders about the program by speaking on panels, posting alerts on the website, answering questions from the public, and attending conferences and industry gatherings. The WBO aims to raise the program’s profile and explain nuances of the eligibility rules and requirements to potential whistleblowers. The program’s constituencies include whistleblowers and their counsel, industry groups, other government agencies, self-regulatory organizations, and members of the academia. During the

¹⁸ 17 C.F.R. § 165.7(a).

Period, WBO staff presented at five events that industry members and corporate counsel attended.

The WBO launched its own website, <https://www.whistleblower.gov>, in January 2016, which serves as a “one-stop-shop” for all information related to the Whistleblower Program. It offers answers to frequently asked questions and contains an online portal for users to submit tips and applications electronically.¹⁹ In addition, the website outlines whistleblowers’ rights and protections and provides helpful links to program rules,²⁰ award orders, NCAs, and press releases. During the Period, more than 51,000 individuals were registered to receive email updates about the program. The WBO’s website received almost 485,684 pageviews this Period from readers across the globe, as shown in the map below.



¹⁹ See Frequently Asked Questions, <https://www.whistleblower.gov/FAQs>, and Things To Know, <https://www.whistleblower.gov/news/thingstoknow>.

²⁰ The Whistleblower Program rules are codified at 17 C.F.R. pt. 165 (as amended by 82 Fed. Reg. 24,487, 24,496–521 (May 30, 2017)).

The top 10 countries with the most views are:

1	United States	84%
2	United Kingdom	2%
3	India	1.3%
4	Canada	1.2%
5	China	1.2%
6	Syria	1%
7	Netherlands	0.58%
8	Germany	0.54%
9	France	0.51%
10	Australia	0.48%

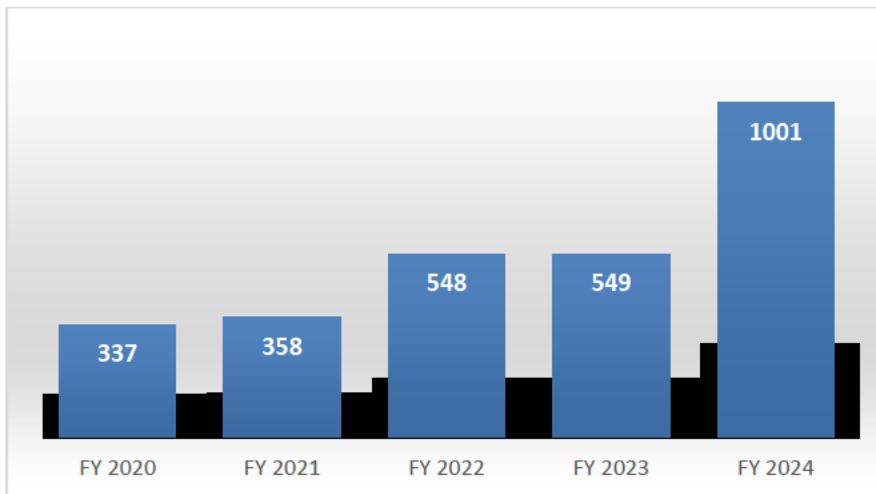
During the Period, the WBO continued to publicize trending enforcement topics. The WBO previously posted alerts on topics such as carbon markets, romance scams, Bank Secrecy Act, money-laundering, bribery and corrupt practices, insider trading, crypto and digital assets, and spoofing.²¹ Through these alerts, the WBO aims to educate the public about various ways whistleblowers can stop violations of the CEA while making themselves eligible for awards. These alerts also help raise awareness for areas of interest to the CFTC’s Division of Enforcement (“DOE”).

During the Period, the WBO also processed 1,001 emails about the program. This represents a 182% increase over the number of emails the WBO processed during FY 2023. Figure 3 below shows the rapid increase in the number of emails processed over the past five fiscal years. Processing each incoming email requires a review of several datasets, a preliminary jurisdictional analysis, and appropriate disposition in line with established procedures. Specifically, WBO staff (i) reviews all award application and Form TCR inventories to assess the status and degree to which the email sender has previously interacted with the WBO and whether the sender is a whistleblower, (ii) conducts a preliminary jurisdictional analysis to assess

²¹ These alerts are available at <https://www.whistleblower.gov/whistleblower-alerts>.

whether the conduct referenced is within the CFTC’s remit, (iii) handles each email in accordance with established procedures such that jurisdictional emails are forwarded to DOE, and (iv) directs senders with non-jurisdictional complaints to contact other agencies such as the Department of Labor’s OSHA (Occupational Safety and Health Administration).

Figure 3: Emails processed in the last five fiscal years



E. Protecting Whistleblowers’ Identities and Communications with the CFTC

The WBO also plays an important role in protecting whistleblowers’ identities. Section 23(h)(2) of the CEA requires that the Commission not disclose information that could reasonably be expected to reveal the identity of a whistleblower except in certain limited circumstances. For example, in an administrative or a court proceeding, the Commission may be required to produce documents or other information which would reveal a whistleblower’s identity. In other circumstances, the Commission may provide information, subject to confidentiality requirements, to other governmental or regulatory entities. The WBO consults with DOE on all requests coming from other government agencies to access the CFTC’s investigative files. When necessary, WBO staff would withhold a Form TCR or apply redactions to a Form TCR to protect a whistleblower’s identity. During the Period, the WBO reviewed 106 access requests from

other government agencies and 334 requests to produce documents from the CFTC’s investigative files. The WBO determined that 216 productions related to whistleblower matters, and 52 productions implicated whistleblower-identifying information. The WBO took all steps necessary and consistent with Section 23(h)(2) of the CEA, 7 U.S.C. § 26(h)(2), and Section 165.4 of the Whistleblower Rules, 17 C.F.R. § 165.4, to protect whistleblowers’ identities.

***CFTC brought its first action against a company
for impeding whistleblower communications***

In June 2024, the CFTC ordered Trafigura Trading LLC (“Trafigura”) to pay \$55 million for fraud, manipulation, and impeding whistleblower communications with the CFTC. This action was groundbreaking because it was the first time in CFTC history that the Commission charged a company for using agreements intended to prevent whistleblowers from communicating with the CFTC. Specifically, the CFTC found that Trafigura had used employment and separation agreements with broad non-disclosure provisions prohibiting the sharing of Trafigura’s confidential information with third parties. These non-disclosure provisions did not contain carve-out language expressly permitting communications with law enforcement or regulators such as the CFTC.²²

²² See CFTC Docket No. 24-08 (June 17, 2024); CFTC Press Rel. No. 8921-24, “CFTC Orders Trafigura to Pay \$55 Million for Fraud, Manipulation and Impeding Communications with the CFTC.” <https://www.cftc.gov/PressRoom/PressReleases/8921-24>.

III. CUSTOMER EDUCATION INITIATIVES

The Office of Customer Education and Outreach (“OCEO”) administers the CFTC’s customer and public education initiatives within the Office of Public Affairs. OCEO derives its mission and responsibilities from the language in the CEA that established the Fund: to design, develop, implement, and evaluate “customer education initiatives designed to help customers protect themselves against fraud or other violations of [the CEA], or the rules and regulations thereunder.”²³

In FY 2024, OCEO fulfilled a directive to establish its priorities within a strategic plan. OCEO developed its strategic plan through extensive research, including input from the Chairman, all Commissioners, several Division Directors, OCEO staff, outside interests and state, federal, and international financial education leaders. Under the strategic plan, OCEO’s priorities are to:

- Gather data to effectively communicate with internal and external stakeholders to identify fraud trends, disseminate information relevant to OCEO’s anti-fraud mission, and inform initiative design, effectiveness, and best practices.
- Increase CFTC’s ability to reach customers with salient anti-fraud messages and provide helpful resources that can be used to identify and avoid fraud, encourage fraud reporting, and counter disinformation.
- Create cooperative partnerships with federal, state, and nonprofit organizations to amplify OCEO’s anti-fraud messaging.

This report describes OCEO’s efforts to meet these priorities.

²³ See supra note 4.

A. Gathering Data and Communicating with Stakeholders

In response to increasing victim complaints about relationship confidence frauds, OCEO, working with the CFTC's Office of Technology Innovation (OTI), DOE, and the Department of Justice's Computer Crime and Intellectual Property Section's National Cryptocurrency Enforcement Team, convened the first-ever *Fraud Disruption Conference* in July 2024.

In relationship confidence scams, fraudsters build online relationships with unsuspecting individuals before convincing them to trade crypto assets or foreign currency on fake trading platforms. These scams often start with the targeted individual receiving a random or "wrong number" text message. If the target responds, the communication quickly forms into a longer conversation and, in many cases, a relationship of trust with the fraudster. Eventually, the fraudster offers to introduce the target to cryptocurrency or over-the-counter foreign exchange (forex) trading, promising large gains. However, even though customers may be able to initially withdraw fake "profits," in the end the victims lose everything.²⁴

During the July conference, more than 300 federal regulatory and law enforcement officials from more than 15 federal agencies joined forces²⁵ to develop measurable strategies to prevent victimization; use technology to disrupt relationship confidence fraud; and collaborate on enforcement efforts. Four working groups were also established to focus on anti-victimization messaging, private/public partnerships, technology disruption, and enforcement.

²⁴ https://www.ic3.gov/AnnualReport/Reports/2023_IC3CryptocurrencyReport.pdf The FBI had reports of over \$3.96 billion in losses last year to the fraud the criminals refer to as "pig butchering." Actual losses are expected to be much higher due to underreporting of this type of fraud.

²⁵ See (July 11, 2024); CFTC Press Rel. No. 8932-24, "First Interagency Fraud Disruption Conference Focuses on Combatting Crypto Schemes Commonly Known as "Pig Butchering."" <https://www.cftc.gov/PressRoom/PressReleases/8932-24>

Relationship confidence fraud was also the topic of an April 4, 2024, Facebook Live presentation hosted by the American Association of Retired Persons (AARP). The CFTC held a 20-minute Q-and-A presentation reached nearly 750 viewers. In addition, OCEO presented relationship confidence fraud data and steps OCEO is taking to raise awareness during the Financial Industry Regulatory Authority (FINRA) Investor Education Foundation's September 12, 2024 "Disrupting Financial Fraud" Conference, which attracted approximately 200 educators, researchers, federal agency representatives, and other stakeholders.

As an educator and thought leader on these important topics, OCEO presented information to several groups composed of regulators and volunteer attendees during FY 2024 as follows.

- Presented a customer advisory, *AI Won't Turn Trading Bots into Money Machines*,²⁶ to the Financial Stability Oversight Council;
- Addressed state and provincial regulators on a panel titled *Digital Caregiver: Protecting our Elderly Population*, during the North American Securities Administrators Association (NASAA) annual investor education conference;
- Alerted federal civil and criminal regulators about fraud trends during the U.S. Securities Exchange Commission's (SEC's) San Francisco Regional Conference;
- Informed the Financial Literacy and Education Commission (FLEC)²⁷ about relationship confidence frauds during a FLEC public meeting; and

²⁶ See *AI Won't Turn Trading Bots into Money Machines*.
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/AITradingBots.html>

²⁷ The Financial Literacy and Education Commission was established under the Fair and Accurate Credit Transactions Act of 2003 and is made up of the heads of 24 federal agencies: Department of the Treasury (Chair), Consumer Financial Protection Bureau (Vice-Chair), CFTC, Department of Agriculture, Department of Defense, Department of Education, Department of Health and Human Services, Department of Housing and Urban Development, Department of Interior, Department of Labor, Department of Veterans Affairs, Federal Deposit

- Led a presentation about gold IRA frauds for the AARP Fraud Watch volunteers and staff in August.

B. Increasing OCEO's Ability to Reach Customers

In support of the CFTC's strategic plan, OCEO is now reaching hundreds of thousands of website visitors annually with a redesigned and enhanced Learn & Protect section on the CFTC.gov website.²⁸ The page highlights common frauds affecting customers, depicted below. This section may be accessed using the following link: <https://www.cftc.gov/LearnAndProtect>. For illustrative purposes, a graphic of the site is provided below.

Insurance Corporation, Federal Emergency Management Agency, Federal Housing Finance Agency, Federal Reserve Board, Federal Trade Commission, General Services Administration, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Personnel Management, Small Business Administration, Securities and Exchange Commission, Social Security Administration, and the White House Domestic Policy Council. For more information, visit <https://home.treasury.gov/policy-issues/consumer-policy/financial-literacy-and-education-commission>.

²⁸ See CFTC's 2024-2026 Strategic Plan, Objective 2.5: Strategically develop and deploy sophisticated, inclusive, and accessible educational and outreach materials through traditional and social media outlets to enhance the American public's understanding of derivatives and the CFTC's mission. <https://www.cftc.gov/PressRoom/PressReleases/8893-24>.

Learn & Protect
Fraud Center
Check Registration & Disciplinary History
Submit a Tip or Complaint
RED List
Office of Proceedings
Learning Resources
Materiales Antifraude en Español

Fraud News & Alerts
Romance Frauds
Digital Asset Frauds
Forex Frauds
Precious Metals Frauds
Imposter Frauds
Whistleblower Alerts

English | Español

Learn & Protect

Fraud Center

Anyone could be a victim of fraud. Criminals who commit fraud are experts of deception and emotional manipulation. Read more to learn about five highly prevalent frauds.

Romance Frauds	Digital Asset Frauds
Forex Frauds	Precious Metals Frauds
Imposter Frauds	Whistleblower Alerts

Remember:
 If you feel rushed, anxious, or pressured in any way, stop and talk to someone you trust.
 Only trade in markets or products you fully understand, and with entities registered with the CFTC or other federal or state regulators.
 There is no such thing as a risk-free trade or investment.

- Spot Fraud:**
- 1) The entity or individuals are not registered with the CFTC.
 - 2) Website or solicitations contain grammatical or spelling errors.
 - 3) The entity's website doesn't disclose a physical headquarters address or customer service number. (Confirm the address by conducting a street-level map search.)
 - 4) Check the trading website's domain registration at lookup.icann.org to determine if the entity has been in business as long as it claims.

If you have been defrauded, report it to the government and to the digital asset exchange or the social media websites involved. You can report it to the CFTC or the FBI.

View All Learning Resources >> Enforcement News >>

Check Credentials and Disciplinary Histories

[Verify CFTC Registration](#)
[Check the RED List Before You Trade](#)
[How to Pick a Broker or Advisor](#)

Submit a Tip or Complaint

[Report Fraud or Other Violations](#)
[Suggest a RED List Entity](#)
[Office of Proceedings](#)

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Agricultural Customer Resources
Binary Options Customer Resources



Each of the fraud topic areas — Romance Frauds, Digital Asset Frauds, Forex Frauds, Precious Metals Frauds, and Imposter Frauds — include brief descriptions of how the frauds play out, “dos and don’ts” for customers who encounter these frauds, and a curated set of CFTC and other resources available on the topic.

OCEO published portions of the CFTC's Learn & Protect section and its online educational content in Spanish. It also published an advisory related to relationship confidence scams into Chinese, based on information related to Chinese-speaking victims. Additional languages will be added in 2025.

Also in FY 2024, OCEO published customer advisories, web articles, and fliers, as well as a series of CFTC Fraud Watch videos to provide anti-victimization education. The Fraud Watch videos were done in partnership with DOE and are intended to make OCEO's educational content more accessible to end-users. To date, the videos have been viewed more than 1,300 times. A full listing of OCEO's FY 2024 educational material is provided below.

- Advisories
 - AI Won't Turn Trading Bots into Money Machines,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/AITradingBots.html>
 - Six Warning Signs of Online Financial Romance Frauds,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/RomanceScam.html>
 - 10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/Metals10Things.html>
 - Don't Let Fraud Make You Feel Foolish,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CommonFrauds.htm>

- Don't Become an Unwitting Money Launderer,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/MoneyMules.html>
- Fraud in Three Acts: Relationship Cons, Recovery Scams, & Money Laundering,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/Fraudin3Acts.html>
- Relationship Investment Scams,²⁹
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/RelationshipInvestmentScam.html>
- Flier
 - Lies Versus Facts: The Truth Behind Gold and Silver IRA Scams (PDF),
<https://www.cftc.gov/node/250171>
- Article
 - How to Identify and Talk About Elder Fraud,
<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/ElderFraud.htm>
- Videos
 - How Gold or Silver IRA Scams Rob Your Retirement,
<https://www.cftc.gov/node/251911>
 - How Do Precious Metals Frauds Target Me,
<https://www.cftc.gov/node/251906>

²⁹ This advisory was issued in partnership with the SEC, FINRA, and NASAA.

- Gold and Silver Frauds Do the Math, <https://www.cftc.gov/node/251901>
- Blow the Whistle on Gold Fraud Boiler Rooms, <https://www.cftc.gov/node/251896>
- Fight Back Against Fraud, Report It, <https://www.cftc.gov/node/251891>
- Avoid Problems When Buying Precious Metals, <https://www.cftc.gov/node/251886>
- The Gold IRA Collectibles Scam, <https://www.cftc.gov/node/251881>
- What is a 401(k) Rollover Scam, <https://www.cftc.gov/node/251876>
- Exploring Effective Social Media Investment Scam Interventions, <https://www.cftc.gov/node/248066>
- Is AI for Investors Road-Ready, <https://www.cftc.gov/node/248061>

OCEO also participated in live events designed to meet potential victims where they are, in addition to the voluminous information on [cftc.gov](https://www.cftc.gov).³⁰ During each of the FY 2024 events, OCEO staff warned attendees about various types of fraud, including relationship confidence, precious metal, digital asset, and forex frauds.

- In February, OCEO and DOE staff provided information about fraud to attendees interested in trading commodities at the Las Vegas Traders Expo.
- In June, OCEO and DOE staff informed pork producers and agricultural professions about common types of fraud at the World Pork Expo.
- In August, OCEO teamed up with the SEC’s Office of Investor Education and Advocacy (OIEA) to conduct a series of military trainings, including a joint

³⁰ CFTC’s 2024-2026 Strategic Plan includes an objective to advance diversity, equity, inclusion, and accessibility, which states the CFTC will extend customer education and outreach efforts to vulnerable and underserved communities.

presentation to Marine Personal Financial Managers at their annual training event at Marine Corps Air Station Miramar in San Diego, California. OCEO also joined the SEC for presentations at Navy Base San Diego, and Marine Base Quantico. During each of these presentations, OCEO staff warned service members about common frauds.

- In September, OCEO participated in the National Historically Black Colleges and Universities (“HBCU”) Week Conference in Philadelphia. The event was led by the White House Initiative on HBCUs. OCEO staff provided information to attendees about the red flags of crypto fraud, how to identify fraudulent cryptocurrency websites, and relationship confidence fraud. OCEO’s engagement featured the debut of an online trivia challenge that tests users’ knowledge and introduces them to fraud avoidance techniques and information.³¹
- Also in September, OCEO and staff from the OTI partnered with the Brooklyn District Attorneys’ Office and the SEC’s New York Office to conduct an outreach event to the Asian American community in Brooklyn. The goal of the event was to raise awareness about relationship confidence scams within the community based on information that the Asian American community has been victimized by these frauds.

OCEO also engaged with customers and educators through its online World Investor Week 2023 program, *Technology and Fraud: Stopping Scams in a Digital World*.³² The event’s first panel, *Exploring Effective Social Media Investment Scam Interventions*, covered the rapid

³¹ <https://www.cftc.gov/LearnandProtect/Quiz>.

³² World Investor Week is a global campaign organized by the International Organization of Securities Commissions (“IOSCO”).

growth of social media investment fraud, how platforms contribute to the scams' effectiveness, and ways educators, regulators, and other stakeholders can develop interventions to combat social media frauds. The second panel, *Is AI for Investors Road-Ready?*, focused on the capabilities and risks associated with artificial intelligence in trading and other financial services, and safeguards customers and stakeholders should consider.

As part of its World Investor Week efforts, OCEO was invited by the FINRA Investor Education Foundation to offer its viewpoints on FINRA's recent research about the behaviors of new investors. OCEO and the Office of Cooperative Enforcement, DOE, also joined the National Futures Association for its World Investor Week panel discussion about recent fraud trends.

Additionally in FY 2024, OCEO contracted with an advertising agency that will assist in future efforts regarding the creative development of the CFTC's anti-fraud messaging, the design of effective public service announcements, and the strategic placement of anti-fraud information on popular social media sites.

C. Partnerships with outside organizations

In addition to OCEO's stakeholder outreach and engagement efforts with private sector organizations such as the American Bankers Association, the program also maintains ongoing relationships with organizations such as the FLEC and the International Organization of Securities Commissions (IOSCO), and seeks to build relationships with other federal agencies, state regulators, and financial education organizations to amplify and extend the reach of OCEO's work. Highlights of this work appear below.

In March, OCEO and FINRA co-released, *10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals*, a customer advisory that warns people in or near retirement about

gold and silver investment scams that tout over-priced metals and coins as “safe investments,” but instead charge exorbitant markups, commissions, and fees.³³ The effort was also supported by the North American Securities Administrators Association (NASAA).

In September, OCEO joined the American Bankers Association Foundation, the FBI, the Financial Crimes Enforcement Network (FinCEN), FINRA, Department of Homeland Security, IRS Criminal Investigation, U.S. Secret Service, and SEC in supporting an educational infographic about relationship confidence frauds for distribution through U.S. banks. The one-page infographic illustrates the scam’s phases—from how victims are targeted to how the scam ends—and provides warning signs and steps to take if a person has been victimized.³⁴

The Commission and the SEC have also continued to work closely together throughout FY 2024. In September, OCEO joined the SEC, FINRA, and NASAA in the development and distribution of an investor alert that gives customers a clear picture of how relationship confidence scammers work their way into the minds and wallets of even savvy people.

CFTC remains an active member on IOSCO’s Committee on Retail Investors. In addition to its participation in World Investor Week, OCEO also provides input and support to the development of IOSCO reports and issues involving investor protection and investor education. Ongoing topics include, crypto asset education, the risks posed by financial social media influencers or “finfluencers,” risks posed by copy or mirror trading, services often marketed to low-experience retail traders that encourage them to copy the trades or actions of others.

³³ See 10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals, <https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/Metals10Things.html>.

³⁴ https://www.cftc.gov/sites/default/files/2024/09/OCEO_Cryptocurrency_Infographic.pdf.

Finally, OCEO has emphasized building and utilizing relationships with other CFTC divisions and offices, including the DOE, OTI, Office of Minority and Women Inclusion, and Office of International Affairs. These divisions and offices provided critical support in helping OCEO and its staff accomplish the results achieved in FY 2024, as well as ongoing efforts to reach and educate customers.

IV. CUSTOMER PROTECTION FUND

As of September 30, 2024, the available balance of the Fund is \$226,061,043:

Description	FY 2024
Available Balance of the Fund as of September 30, 2023:	\$ 261,359,297
<i>Increases in Available Balance:</i>	
Amounts deposited into, or credited to, the Fund during the Period:	10,741 ³⁵
Amount of earnings on investments of amounts in the Fund during the Period:	14,246,139
<i>Decreases in Available Balance:</i>	
Amount obligated and/or paid from the Fund for whistleblower awards during the Period:	(42,579,788) ³⁶
Amount obligated and/or paid from the Fund for whistleblower administration during the Period:	(3,595,977)
Amount obligated and/or paid from the Fund for customer education initiatives during the Period:	(2,567,339)
Amount sequestered from the Fund during the year (not available for use by the Fund)	(812,030) ³⁷
Available Balance of the Fund as of September 30, 2024:	\$ 226,061,043 ³⁸

³⁵ Amounts deposited into, or credited to, the Fund during the Period consists of recoveries and refunds collected of \$10,741. No custodial collections were eligible to be transferred into the Fund in FY 2024 because the available balance of the Fund exceeded \$100 million.

³⁶ Of the \$48,478,951 disbursed from the Fund for whistleblower awards during the Period, \$15,628,065 was related to awards previously obligated as of September 30, 2023, and \$32,517,230 was related to open and pending claims as of September 30, 2023, that were obligated once the awards were signed in FY 2024. An additional \$333,656 in amounts disbursed resulted from additional collections received on previously awarded amounts. An additional \$9,728,902 was obligated for new awards signed in August and September 2024 that have not yet been disbursed.

³⁷ The available balance of the Fund was reduced in FY 2024 by temporary sequestration of \$812,030, which is not available for use until apportioned by the Office of Management and Budget (OMB). The total outstanding amount of sequestration that has not been apportioned by OMB totals \$25,036,854 as of September 30, 2024.

³⁸ When the available balance falls below \$100 million, the Commission transfers eligible collections into the Fund in accordance with 7 U.S.C. § 26(g)(3)(A). The last eligible collection transferred into the Fund was \$242,819,443 received on June 8, 2022, when the available balance of the Fund was \$51,098,139. In addition to the \$226,061,043 available balance in the Fund, there was, as of September 30, 2024, \$8,881,977 remaining of the funds that were set aside in a separate account until October 1, 2024, to fund non-whistleblower costs only when the unobligated balance of the Fund was insufficient. The Commission transferred the remaining unobligated balance

Attached as an Appendix to this report are the audited financial statements for the Fund, including a balance sheet, a statement of net cost, a statement of changes in net position, a statement of budgetary resources, and a supplementary cash flow analysis schedule.

in the separate account back to the Fund in October 2024, as directed by Pub. L. 117-25, 135 Stat. 297 (July 6, 2021) and Pub. L. 117-328, 136 Stat. 5984 (Dec. 29, 2022).

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TO: Rostin Behnam, Chairman
Kristin Johnson, Commissioner
Christy Goldsmith Romero, Commissioner
Summer Mersinger, Commissioner
Caroline Pham, Commissioner

FROM: Christopher Skinner, Inspector General

A handwritten signature in black ink, appearing to read 'C. Skinner'.

DATE: October 29, 2024

SUBJECT: Transmittal of the Fiscal Year 2024 Financial Statement Audit Report of the CFTC Customer Protection Fund (24-AU-02)

We contracted with the independent public accounting firm of Williams, Adley & Company, LLP (Williams Adley) to audit the financial statements of the CFTC Customer Protection Fund (CPF) as of and for the fiscal years ended September 30, 2023, and 2024, to provide a report on internal control over financial reporting, report on compliance with laws and other matters, and provide an opinion on whether CFTC's CPF financial management systems complied substantially with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget audit guidance, and the GAO/CIGIE Financial Audit Manual.

In its audit of CFTC CPF, Williams Adley reported:

- the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- CFTC maintained, in all material respects, effective internal control over financial reporting;
- CFTC's financial management systems complied substantially with the requirements of FFMIA; and
- no reportable noncompliance with provisions of laws tested or other matters.

Williams Adley is responsible for the attached auditor's report dated October 25, 2024, and the conclusions expressed therein. We do not express opinions on CFTC CPF financial statements or internal control over financial reporting, or on whether CFTC CPF financial management systems complied substantially with the three requirements of FFMIA, or conclusions on compliance and other matters.

We appreciate the cooperation and support received from CFTC personnel during the audit. If you have any further questions, please contact Miguel Castillo, Assistant Inspector General for Audits.



Independent Auditor's Report

Chairman
U.S. Commodity Futures Trading Commission

Inspector General
U.S. Commodity Futures Trading Commission

In our audits of the fiscal years 2024 and 2023 financial statements of the U.S. Commodity Futures Trading Commission's Customer Protection Fund (CPF), we found:

- CPF's financial statements as of and for the fiscal years ended September 30, 2024, and 2023, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed¹; and
- no reportable noncompliance for fiscal year 2024 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes other information included with the financial statements²; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, we have audited CPF's financial statements. CPF's financial statements comprise the balance sheets as of September 30, 2024, and 2023; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, CPF's financial statements are presented fairly, in all material respects, CPF's financial position as of September 30, 2024, and 2023, and its net cost of operations, changes in net position,

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

² Other information consists of information included with the financial statements other than the auditor's report.

WILLIAMS, ADLEY & COMPANY-DC, LLP

Certified Public Accountants/ Management Consultants

1016 16th Street, N.W. Unit 400 • Washington, DC 20036 • (202) 371-1397 • Fax: (202) 371-9161

www.williamsadley.com

and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the U.S and the U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CPF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

CPF's management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in CPF's audited financial statements, and ensuring the consistency of that information with the audited financial statements; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPF's internal control over financial reporting. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the financial statement audit.

Other Information

CPF's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements. Management is responsible for the other information included in CPF's audited financial statements. The other information comprises the cash flow analysis for the period October 1, 2023 to September 30, 2024, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of CPF's financial statements, we considered CPF's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies³ or to express an opinion on the effectiveness of CPF's internal control over financial reporting. Given these limitations, during our 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to CPF's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance⁴.

³ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

⁴ Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirement for Federal Financial Statements*, issued on July 29, 2024. According to the guidance, for those controls that have been suitably designed and implemented, the auditor should perform sufficient tests of such controls to conclude on whether the controls are

Responsibilities of Management for Internal Control over Financial Reporting

The CPF management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of CPF's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered CPF's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPF's internal control over financial reporting. Accordingly, we do not express an opinion on CPF's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of CPF's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of CPF's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CPF's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

operating effectively (i.e., sufficient tests of controls to support a low level of assessed control risk). OMB audit guidance does not require the auditor to express an opinion on the effectiveness of internal control.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CPF. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

The CPF management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CPF.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to CPF that have a direct effect on the determination of material amounts and disclosures in CPF's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CPF. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Williams, Adley & Company-DC, LLP

Washington, District of Columbia

October 25, 2024



FINANCIAL STATEMENTS FOR THE CUSTOMER PROTECTION FUND REPORT TO CONGRESS

as of September 30, 2024

Compilation Date: 10/7/2024 1:13 PM

**U.S. COMMODITY FUTURES TRADING COMMISSION
CUSTOMER PROTECTION FUND REPORT TO CONGRESS: FINANCIAL STATEMENTS**

Table of Contents

Financial Statements	1
Notes to the Financial Statements.....	5
Supplementary Schedule:	
Cash Flow Analysis.....	15

COMMODITY FUTURES TRADING COMMISSION
CUSTOMER PROTECTION FUND
BALANCE SHEETS
AS OF SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$ 18,510,845	\$ 32,185,446
Investments, Net:		
Federal Investments (Note 3)	253,000,000	279,400,000
Interest Receivable - Investments	-	41,910
Advances and Prepayments	7,412	9,379
Total Intragovernmental	\$ 271,518,257	\$ 311,636,735
TOTAL ASSETS	\$ 271,518,257	\$ 311,636,735
LIABILITIES		
Intragovernmental:		
Employer Contributions and Payroll Taxes Payable	\$ 22,291	\$ 34,537
Social Security and Medicare Taxes Payable	3,805	5,156
Total Intragovernmental	\$ 26,096	\$ 39,693
With the Public:		
Accounts Payable	\$ 10,596,716	\$ 16,474,354
Federal Employee Salary, Leave, and Benefits Payable:		
Accrued Funded Payroll	92,298	141,562
Unfunded Annual Leave	322,071	217,592
Funded Employee Benefits	4,615	6,765
Liability for Whistleblower Awards (Note 4)	43,759,511	31,464,775
Total With the Public	\$ 54,775,211	\$ 48,305,048
Total Liabilities	\$ 54,801,307	\$ 48,344,741
<i>Contingent Liabilities (Note 5)</i>		
NET POSITION		
Cumulative Results of Operations - Funds from Dedicated Collections	\$ 216,716,950	\$ 263,291,994
Total Cumulative Results of Operations	\$ 216,716,950	\$ 263,291,994
Total Net Position	\$ 216,716,950	\$ 263,291,994
TOTAL LIABILITIES AND NET POSITION	\$ 271,518,257	\$ 311,636,735

The accompanying notes are an integral part of these financial statements.

**COMMODITY FUTURES TRADING COMMISSION
CUSTOMER PROTECTION FUND
STATEMENTS OF NET COST
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024		2023
NET COSTS OF OPERATIONS			
Gross Costs	\$ 60,779,273	\$	51,831,230
TOTAL NET COST OF OPERATIONS	\$ 60,779,273	\$	51,831,230

The accompanying notes are an integral part of these financial statements.

**COMMODITY FUTURES TRADING COMMISSION
CUSTOMER PROTECTION FUND
STATEMENTS OF CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
CUMULATIVE RESULTS OF OPERATIONS:		
BEGINNING BALANCES	\$ 263,291,994	\$ 301,921,114
Nonexchange Interest Revenue	14,204,229	13,202,110
Net Cost of Operations	(60,779,273)	(51,831,230)
Net Change in Cumulative Results of Operations	(46,575,044)	(38,629,120)
TOTAL CUMULATIVE RESULTS OF OPERATIONS, ENDING	\$ 216,716,950	\$ 263,291,994

The accompanying notes are an integral part of these financial statements.

**COMMODITY FUTURES TRADING COMMISSION
CUSTOMER PROTECTION FUND
STATEMENTS OF BUDGETARY RESOURCES
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
BUDGETARY RESOURCES		
Unobligated Balance from Prior Year Budget Authority, Net (Note 6A)	\$ 270,254,016	\$ 278,676,220
Spending Authority from Offsetting Collections	13,434,109	12,410,069
TOTAL BUDGETARY RESOURCES	\$ 283,688,125	\$ 291,086,289
STATUS OF BUDGETARY RESOURCES		
New Obligations and Upward Adjustments	\$ 48,745,105	\$ 20,845,014
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	229,118,921	266,318,206
Unapportioned, Unexpired Accounts	5,824,099	3,923,069
Unobligated Balance, End of Year (Total)	234,943,020	270,241,275
TOTAL BUDGETARY RESOURCES	\$ 283,688,125	\$ 291,086,289
OUTLAYS, NET		
Outlays, Net	40,074,600	(7,422,573)
AGENCY OUTLAYS, NET	\$ 40,074,600	\$ (7,422,573)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

Note 1. Reporting Fund and Summary of Significant Accounting Policies

A. Reporting Fund

The Commodity Futures Trading Commission (CFTC or the Commission) is an independent agency of the executive branch of the Federal Government. Congress created the CFTC in 1974 under the authorization of the Commodity Exchange Act (CEA) with the mandate to regulate commodity futures and option markets in the United States.

The “Dodd-Frank Wall Street Reform and Consumer Protection Act” (the Dodd-Frank Act, or the Act) significantly expanded the powers and responsibilities of the CFTC. According to Section 748 of the Act, there is established in the U.S. Department of the Treasury (Treasury) a revolving fund known as the “Commodity Futures Trading Commission Customer Protection Fund” (the Fund). The Fund shall be available to the Commission, without further appropriation or fiscal year limitation, to pay awards to whistleblowers; and fund customer education initiatives designed to help customers protect themselves against fraud or other violations of this Act or the rules and regulations thereunder.

The Act requires CFTC to transmit to the Committee on Agriculture, Nutrition and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives a report which includes a complete set of audited financial statements and supplementary information, including balance sheet, income statement, and cash flow analysis, no later than October 30, of each year.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations for the Fund, as required by the Dodd-Frank Act. They are presented in accordance with the form and content requirements contained in OMB Circular A-136, *Financial Reporting Requirements*.

The financial statements have been prepared in all material respects in conformity with U.S. generally accepted accounting principles (GAAP), as prescribed for the Federal government by the Federal Accounting Standards Advisory Board (FASAB). The application and methods for applying these principles are appropriate for fairly presenting the entity’s assets, liabilities, financial position, net cost of operations, changes in net position, and budgetary resources. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

The books and records of the Fund, which is a component of the Commission, served as the source of information for preparing the financial statements in the prescribed formats. All Fund financial statements and reports used to monitor and control budgetary resources are prepared from the same books and records. The statements should be read with the understanding that they relate to a fund controlled by CFTC, a component of the U.S. Government.

The Balance Sheets present the financial position of the Fund. The Statements of Net Cost present the Fund's operating results and the Statements of Changes in Net Position display the changes in the Fund's net position. The Statements of Budgetary Resources present the sources, status, and uses of the Fund's resources and follow the rules for the Budget of the U.S. Government.

The Fund's transactions have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other federal entities. Intragovernmental costs are payments or accruals to other federal entities for goods and/or services provided. The CFTC does not transact business among its own operating units, and therefore, intra-entity eliminations were not needed.

C. Budgetary Resources and Status

The Dodd-Frank Act provides the Fund with permanent authority that is available without further appropriation or fiscal year limitation for the purpose of funding awards to whistleblowers and the operations of the Whistleblower Office and the Customer Education and Outreach Branch. However, prior to using the funds each fiscal year, the CFTC is required to have the funds apportioned by OMB.

The Fund is financed by transferring eligible monetary sanctions collected by the CFTC to the Fund unless the available balance of the fund exceeds \$100,000,000 on the day of collection. The CFTC tracks the available balance of the Fund on a daily basis to determine when the Fund requires replenishment.

The Fund's budgetary resources for FY 2024 consist of:

- Unobligated balances of resources brought forward from the prior year,
- Recoveries of obligations made in prior years, and
- New resources in the form of spending authority from offsetting collections.

D. Fund Balance with Treasury

Fund Balance with Treasury is the aggregate amount of the Fund's balance with Treasury. The balance in the Fund is available to pay current liabilities and finance authorized operations. The Fund does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. Treasury makes disbursements for the Fund. Additional information regarding Fund Balance with Treasury is provided in Note 2. *Fund Balance with Treasury*.

E. Investments

The CFTC is authorized to invest the portion of the Fund that is not, in the Commission's judgment, required to meet the current needs of the Fund. The Commission invests available funds through the U.S. Department of the Treasury's Bureau of the Fiscal Service. Investments are carried at their historical cost basis which approximates fair value due to their short-term nature.

Interest earned on the investments is a component of the Fund and is available to be used for expenses of the Fund. Additional information regarding investments is provided in Note 3. Investments.

F. General Property, Plant and Equipment, Net

The Commission capitalizes assets annually if they have useful lives of at least two years and an individual value of \$25,000 or more. Bulk or aggregate purchases are capitalized when the individual useful lives are at least two years and the purchase is a value of \$25,000 or more. Property, plant and equipment that do not meet the capitalization criteria are expensed when acquired. Depreciation for equipment and amortization for software is computed on a straight-line basis using a 5-year life. The Commission's assets are valued net of accumulated depreciation or amortization.

During FY 2024, the Commission disposed of previously capitalized and fully amortized software costs for development of a website for the CFTC Whistleblower Office because the website has transitioned to the cloud.

G. Liabilities

The Fund's liabilities include actual and estimated amounts that are likely to be paid as a result of transactions covered by the Whistleblower Incentives and Protection regulation and will be paid from available balances remaining in the Fund. The Fund's liabilities are considered current liabilities. In addition to liabilities covered by budgetary resources, the Fund's liabilities also include those not yet covered by budgetary resources. The Fund's liabilities not yet covered by budgetary resources consist of unfunded annual leave and the liability for whistleblower awards for which a preliminary determination has been made and communicated to the whistleblower(s) but for which a final award has not yet been issued.

H. Accounts Payable

Accounts payable consists primarily of liabilities for whistleblower awards finalized by the Commission but not yet paid and amounts due for goods and services received as of the end of the reporting period but not yet paid.

I. Accrued Payroll and Benefits and Annual Leave Liability

The salaries and operating expenses of the Whistleblower's Office and Customer Education and Outreach Branch are funded through the Fund. The accrued payroll liability represents amounts for salaries and

benefits owed for the time since the payroll was last paid through the end of the reporting period. Total accrued payroll is composed of amounts to be paid to Fund employees as well as the related intragovernmental payable for employer contributions and payroll taxes. The annual leave liability is the amount owed to employees for unused annual leave as of the end of the reporting period. At the end of each quarter, the balance in the accrued annual leave account is adjusted to reflect current balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken.

J. Net Position

The Fund operates solely through offsetting collections and therefore does not record unexpended appropriations. The Fund's net position consists of cumulative results of operations that represent the excess of financing sources over expenses since inception. Cumulative results of operations are derived from the net effect of capitalized assets, expenses, and revenue. The balance in cumulative results of operations can be negative when unfunded expenses exceed financing sources received as of the end of the reporting period.

K. Financing Sources

As disclosed in Note 1A, Congress enacted the Dodd-Frank Act that provides the CFTC with the authority to establish the Fund. Per the Act, the Fund is replenished through monetary sanctions resulting from judicial or administrative action brought by the Commission under the Commodity Exchange Act unless the balance of the Fund at the time the monetary judgment is collected exceeds \$100,000,000. All collections are first deposited into the CFTC's Civil Monetary Penalties, Fines and Administrative Fees receipt account. Eligible collections are then transferred from the receipt account into the Fund until the balance of the Fund exceeds \$100,000,000. These collections are reported as a financing source in the Fund's Statements of Changes in Net Position. No eligible collections were transferred into the Fund during FY 2024 or FY 2023 because the available balance of the Fund did not fall below \$100,000,000.

L. Use of Management Estimates

The preparation of the accompanying financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, and expenses. Actual results could differ from these estimates.

In addition to accruals for goods and services and whistleblower liabilities, management estimates were used to calculate overhead expenses in the amount of \$980,000 and \$938,000 that were allocated to the Fund for the years ended September 30, 2024, and 2023. These amounts were derived by multiplying management's estimated overhead cost per full-time equivalent (FTE) by the number of FTE charged to the Fund.

M. Reconciliation of Net Outlays and Net Cost of Operations

In accordance with OMB Circular A-136, the Fund reconciles its budgetary outlays with its net cost of operations (see Note 7).

N. Funds from Dedicated Collections

The Fund contains dedicated collections that can only be used to operate a whistleblower program and support customer education initiatives. See Notes 1A and 1K for a description of the purpose of the Fund and its authority to use applicable financing sources.

No new legislation was enacted as of September 30, 2024, that significantly changed the purpose of the dedicated collections or redirected a material portion of the accumulated balance. On July 6, 2021, Public Law (P.L.) 117-25 set aside \$10,000,000 from the Fund in a separate account to fund non-whistleblower costs when the unobligated balance of the Fund is insufficient. This account was available for eligible costs until it expired, at which time all unobligated amounts were required to be returned to the Fund. On December 29, 2022, P.L. 117-328 extended the availability of the separate account to October 1, 2024, and provided the Commission with discretionary authority to transfer an additional \$10,000,000 from the Fund to the separate account, if needed. In October 2024, the Commission transferred the remaining unobligated balance in the separate account of \$8,881,977 back to the Fund since no additional extension was authorized.

In October 2021, the Commission issued a final whistleblower award of nearly \$200,000,000, resulting in an obligation that exceeded the available balance of the Fund. The Commission has the authority to make obligations for whistleblower awards without taking into consideration the available balance of the Fund under the provisions of the Dodd-Frank Act. As a result, the Commission obligated non-whistleblower costs from this separate account in FY 2022 until the negative balance in the Fund was offset by eligible collections.

O. Intra- and Inter-Agency Relationships

The CFTC is an independent Federal agency. The Commodity Futures Trading Commission Customer Protection Fund is a fund within the CFTC, and these financial statements present a segment of the CFTC financial activity. The financial events of the Fund are consolidated into the CFTC agency financial statements.

P. Limitations of the Financial Statements

The financial statements included in this report have been prepared to report the financial position and results of operations of the Fund, pursuant to the requirements of Section 748 of the Dodd-Frank Consumer Protection Act. While the statements have been prepared from the books and records of the CFTC in accordance with GAAP for Federal entities, these statements are in addition to the reports used

to monitor and control the financial activity of the CFTC, which are prepared from the same books and records. The statements should be read with the understanding that they are for the Customer Protection Fund, a single fund within the CFTC.

Q. Reclassifications

Liabilities reported in the FY 2023 Balance Sheet have been reclassified and/or retitled to conform to the updated guidance provided in OMB Circular A-136 dated May 30, 2024.

Note 2. Fund Balance with Treasury

A. Reconciliation to Treasury

There are no differences between the fund balance reflected in the Fund's Balance Sheet and the balance in the Treasury account.

B. Fund Balance with Treasury

Fund Balance with Treasury as of September 30, 2024, and 2023, consisted of the following:

	2024	2023
Unobligated Fund Balance		
Available	\$ 2,002,698	\$ 2,261,051
Unavailable	14,706,076	12,805,046
Obligated Balance Not Yet Disbursed	1,802,071	17,119,349
TOTAL FUND BALANCE WITH TREASURY	\$ 18,510,845	\$ 32,185,446

Obligated and unobligated balances reported for the status of Fund Balance with Treasury differ from the amounts reported in the Statement of Budgetary Resources due to the fact that budgetary balances are supported by amounts other than Fund Balance with Treasury, such as amounts invested in Treasury securities. Beginning in FY 2024, investments were redeemed to pay whistleblower awards when the payment request was received, rather than when the award was signed, to maximize interest earned. Whistleblower awards that had been signed but not yet submitted for payment totaled \$9,728,902 and \$15,628,065 as of September 30, 2024, and 2023, respectively.

Available unobligated balances as of September 30, 2024, and 2023, consist of amounts available for new obligations of \$2,002,698 and \$2,261,051, respectively.

Unavailable unobligated balances as of September 30, 2024, and 2023, primarily consist of the remaining balance of funds that were set aside in a separate account until October 1, 2024, to fund non-whistleblower costs only when the unobligated balance of the Fund was insufficient of \$8,881,977. As disclosed in Note 1N, the Commission transferred the remaining unobligated balance in the separate account back to the Fund in October 2024 since no additional extension was authorized. Unavailable

unobligated balances as of September 30, 2024, and 2023, also include unapportioned amounts in excess of what has been apportioned for use of \$5,824,099 and \$3,923,069, respectively.

Note 3. Investments

The CFTC invests amounts deposited in the Fund in Treasury one-day certificates of indebtedness that are issued with a stated rate of interest to be applied to their par amount, mature on the business day immediately following their issue date, are redeemed at their par amount at maturity, and have interest payable at maturity.

The interest rates or prices of the one-day certificates of indebtedness are calculated based on market yields of Treasury financial instruments issued and trading in the Secondary Market (exchanges and over-the-counter markets where securities are bought and sold subsequent to original issuance). The Commission may invest in other short-term or long-term Treasury securities at management's discretion.

The Commission's investments as of September 30, 2024, and 2023, were \$253,000,000 and \$279,400,000, respectively. Related nonexchange interest revenue for the years ended September 30, 2024, and 2023, was \$14,204,229 and \$13,202,110, respectively.

Intragovernmental Investments in Treasury Securities

The Federal Government does not set aside assets to pay future claims or other expenditures associated with funds from dedicated collections deposited into the Customer Protection Fund. The dedicated cash receipts collected by the Commission as a result of monetary sanctions are deposited in the Treasury, which uses the cash for general Government purposes. As discussed above and in Note 1E, the Commission invests the majority of these funds in Treasury securities. These Treasury securities are an asset of the Commission and a liability of the Treasury. Because the Commission and the Treasury are both components of the Government, these assets and liabilities offset each other from the standpoint of the Government as a whole. For this reason, the investments presented by the Commission do not represent an asset or a liability in the U.S. Government-wide financial statements.

Treasury securities provide the Commission with authority to draw upon the Treasury to pay future claims or other expenditures. When the Commission requires redemption of these securities to make expenditures, the Government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures. This is the same manner in which the Government finances all expenditures.

Note 4. Liability for Whistleblower Awards

As mentioned in Note 1A, the Fund will be used to pay awards to whistleblowers if they voluntarily provide original information to the CFTC that leads to the successful enforcement by the CFTC of a

covered judicial or administrative action in which monetary sanctions exceeding \$1,000,000 are imposed. Whistleblowers are entitled to appeal any decisions by the Commission in regards to claims made against the Fund.

At the time the whistleblower voluntarily provides information to CFTC, they have no guarantee or promise that the Commission will exchange funds in return for that information. In accordance with federal accounting standards, the Commission records liabilities for these nonexchange transactions when they are due and payable. The Commission therefore records a liability for pending whistleblower payment after the whistleblower has been formally notified of an award and the related sanction, or some portion thereof, has been collected. The liability will be paid when the appeal period has ended, the whistleblower has provided necessary banking information, and, in cases where the related sanction was collected in a prior year and subsequently swept by Treasury at year-end, the award will be paid as future collections become available.

As of September 30, 2024, and 2023, the Commission recorded liabilities for pending payments to whistleblowers of approximately \$43,759,511 and \$31,464,775, respectively. During FY 2024, the Commission disbursed \$48,478,951 in whistleblower awards, which primarily consisted of \$32,517,230 from open and pending payments and \$15,628,065 from accounts payable at the end of FY 2023. An additional \$333,656 in amounts disbursed resulted from additional collections received on previously awarded amounts. Accounts payable as of September 30, 2024, and 2023, includes \$9,728,902 and \$15,628,065, respectively, for awards that have been finalized as of the end of the reporting period.

As of September 30, 2024, the Commission has 20 awards in payable or paid status for which the full collections have not been received, including seven final \$0 awards for which no collections have been received to date. While additional collections on these matters are considered remote, the Commission would be required to pay whistleblowers an additional \$30,278,389 if all collections were received on these matters. In addition to the pending and potential payments to whistleblowers, the Commission had 31 additional whistleblower claims currently under review as of September 30, 2024. These additional claims, depending on whether the whistleblowers are determined to be eligible for an award and the related sanctions have been collected, could result in total future payments ranging from \$0 to \$1,087,744,871.

Note 5. Contingent Liabilities

The Fund records contingent liabilities for legal cases in which payment has been deemed probable and for which the amount of potential liability has been estimated, including judgments that have been issued against the Fund and which have been appealed. Additionally, the Fund discloses legal matters in which an unfavorable outcome is reasonably possible. There were no legal matters deemed probable or reasonably possible as of September 30, 2024.

Note 6. Statements of Budgetary Resources

A. Adjustments to Unobligated Balance Brought Forward, October 1

The Unobligated Balance Brought Forward from the prior fiscal year has been adjusted for recoveries of prior year paid and unpaid obligations. The Adjustments to Unobligated Balance Brought Forward, October 1, as of September 30, 2024, and 2023, consisted of the following:

	2024	2023
Unobligated Balance Brought Forward, October 1	\$ 270,241,275	\$ 278,674,934
Recoveries of Prior Year Obligations	12,741	1,286
UNOBLIGATED BALANCE FROM PRIOR YEAR BUDGET AUTHORITY, NET	\$ 270,254,016	\$ 278,676,220

B. Undelivered Orders

The amount of budgetary resources obligated for undelivered orders as of September 30, 2024, and 2023, consisted of the following:

	2024	2023
Undelivered Orders - Federal		
Paid	\$ 7,412	\$ 9,379
Unpaid	30,786	26,894
Total Undelivered Orders - Federal	\$ 38,198	\$ 36,273
Undelivered Orders - Non-Federal		
Paid	-	-
Unpaid	780,461	430,081
Total Undelivered Orders - Non-Federal	\$ 780,461	\$ 430,081
TOTAL UNDELIVERED ORDERS	\$ 818,659	\$ 466,354

The amount of undelivered orders represents the value of unpaid and paid obligations recorded during the fiscal year, and upward and downward adjustments of obligations that were originally recorded in a prior fiscal year.

C. Explanations of Differences between the Statement of Budgetary Resources and Budget of the United States Government

The Fund had no material differences between the amounts reported in the Statement of Budgetary Resources dated September 30, 2023, and the actual amounts reported in the Budget of the U.S. Government for FY 2023. The Budget of the U.S. Government with actual numbers for FY 2024 has not yet been published. The expected publish date is February 2025. A copy of the Budget may be obtained from OMB's website.

Note 7. Reconciliation of Total Net Cost of Operations to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. This reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The schedule presented in this note reconciles the Total Net Cost of Operations reported in the Statements of Net Cost (accrual basis) with Net Outlays reported in the Statements of Budgetary Resources (budgetary basis). Differences between net costs and net outlays are primarily the result of timing differences and paying for assets that are used over more than one reporting period.

	2024	2023
TOTAL NET COST OF OPERATIONS	\$ 60,779,273	\$ 51,831,230
Components of Net Cost That Are Not Part of Net Outlays:		
Increase/(Decrease) in Assets:		
Decrease in Advances and Prepayments	(1,967)	-
(Increase)/Decrease in Liabilities:		
Accounts Payable	5,877,638	(14,826,817)
Salaries and Benefits	65,010	23,432
Liability for Whistleblower Awards	(12,294,736)	(31,419,775)
Unfunded Annual Leave	(104,479)	127,574
Total Components of Net Cost That Are Not Part of Net Outlays	\$ (6,458,534)	\$ (46,095,586)
Components of Net Outlays That Are Not Part of Net Cost:		
Increase in Advances and Prepayments	-	1,983
Nonexchange Interest Revenue (Excluding Interest Receivable)	(14,246,139)	(13,160,200)
Total Components of Net Outlays That Are Not Part of Net Cost	\$ (14,246,139)	\$ (13,158,217)
AGENCY OUTLAYS, NET	\$ 40,074,600	\$ (7,422,573)

**Commodity Futures Trading Commission
Customer Protection Fund
Cash Flow Analysis
For the Period from October 1, 2023 to September 30, 2024**

Cash flows from operating activities	
Paid Expenses for Whistleblower and Consumer Education and Outreach Offices	\$ (54,322,748)
Refunds collected	2,008
Net cash flows from operating activities	\$ (54,320,740)
Cash flows from investing activities	
Redemptions of US Treasury Securities	\$ 26,400,000
Interest collected from investing in US Treasury Securities	14,246,139
Net cash flows from investing activities	\$ 40,646,139
Net increase/(decrease) in cash and cash equivalents	\$ (13,674,601)
BEGINNING CASH AS OF OCTOBER 1, 2023	32,185,446
ENDING CASH AS OF SEPTEMBER 30, 2024	\$ 18,510,845